

In conclusion, God bless our troops, and we will never forget September the 11th in the global war on terrorism.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 13, 2017.

Hon. PAUL D. RYAN,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on November 13, 2017, at 12:38 p.m.:

That the Senate passed S. 324.
That the Senate passed S. 886.
That the Senate passed S. 906.
That the Senate passed S. 1153.
That the Senate passed S. 1266.
With best wishes, I am

Sincerely,

KAREN L. HAAS.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 4 p.m. today.

Accordingly (at 2 o'clock and 4 minutes p.m.), the House stood in recess.

□ 1601

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BUCSHON) at 4 o'clock and 1 minute p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

MARKET DATA PROTECTION ACT OF 2017

Mr. HUIZENGA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3973) to amend the Securities Exchange Act of 1934 to require certain entities to develop internal risk control mechanisms to safeguard and govern the storage of market data.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Market Data Protection Act of 2017".

SEC. 2. INTERNAL RISK CONTROLS.

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended—

(1) by inserting after section 4E the following:

"SEC. 4F. INTERNAL RISK CONTROLS.

"(a) IN GENERAL.—Each of the following entities, in consultation with the Chief Economist, shall develop comprehensive internal risk control mechanisms to safeguard and govern the storage of all market data by such entity, all market data sharing agreements of such entity, and all academic research performed at such entity using market data:

"(1) The Commission.

"(2) Each national securities association registered pursuant to section 15A.

"(3) The operator of the consolidated audit trail created by a national market system plan approved pursuant to section 242.613 of title 17, Code of Federal Regulations (or any successor regulation).

"(b) CONSOLIDATED AUDIT TRAIL PROHIBITED FROM ACCEPTING MARKET DATA UNTIL MECHANISMS DEVELOPED.—The operator described in paragraph (3) of subsection (a) may not accept market data (or shall cease accepting market data) until the operator has developed the mechanisms required by such subsection. Any requirement for a person to provide market data to the operator shall not apply during any time when the operator is prohibited by this subsection from accepting such data.

"(c) TREATMENT OF PREVIOUSLY DEVELOPED MECHANISMS.—The development of comprehensive internal risk control mechanisms required by subsection (a) may occur, in whole or in part, before the date of the enactment of this section, if such development and such mechanisms meet the requirements of such subsection (including consultation with the Chief Economist)."; and

(2) in section 3(a)—

(A) by redesignating the second paragraph (80) (relating to funding portals) as paragraph (81); and

(B) by adding at the end the following:

"(82) CHIEF ECONOMIST.—The term 'Chief Economist' means the Director of the Division of Economic and Risk Analysis, or an employee of the Commission with comparable authority, as determined by the Commission.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. HUIZENGA) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan.

GENERAL LEAVE

Mr. HUIZENGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUIZENGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, cybersecurity is critical to consumers, investors, market participants and, frankly, the very markets themselves. However, in April of 2016, the GAO—the Government Accountability Office—identified weak-

nesses regarding information security protocols at the Securities and Exchange Commission, and noted that the SEC's failure to implement an agency-wide data security program had occurred.

Once confirmed in May of this year, SEC Chairman Jay Clayton initiated an assessment of the SEC's internal cybersecurity risk profile and their approach to cybersecurity from a regulatory and oversight perspective. The SEC's internal assessment found that the agency had inadequate controls and that there were serious cyber and data risks.

Unfortunately, in September of this year, Chairman Clayton issued a statement on cybersecurity in which he revealed that a cyber breach "previously detected in 2016 may have provided illicit gain through trading."

Specifically, a software vulnerability existed in the test filing component of the SEC's Electronic Data Gathering, Analysis, and Retrieval—which resulted in access to nonpublic information. While this breach provided hackers access to highly sensitive material, at the time, the SEC believed "the intrusion did not result in unauthorized access to personally identifiable information"—or PII, as we commonly refer to it—therefore, "jeopardize the operations of the SEC, or result in a systemic risk." And that was a quote from the SEC's report.

However, unfortunately, in a follow-up disclosure shortly after that, Chairman Clayton revealed that personally identifiable information, including names, birth dates, Social Security numbers, were actually compromised for two individuals in that particular breach.

The GAO report and the EDGAR data breach underscore what is now even of greater concern, the sufficiency of risk control mechanisms for the SEC-approved consolidated audit trail, or also known as the CAT system. The CAT will be the most comprehensive repository of market data we have seen, and it will collect and identify every order, cancellation, and trade execution for all exchange-listed equities and options across all U.S. markets. It will also collect personally identifiable information beginning 1 year after it begins accepting market data.

Thesys Technologies, which was selected to be the plan processor for the CAT, is scheduled to begin accepting data from self-regulatory organizations who must provide data to CAT on Wednesday, November 15, just merely days from today.

Many of my colleagues, as well as market participants, have voiced concerns about the cost of building and implementing such a system and the amount of PII that will be required to be collected by the CAT.

Last Congress, several Members wrote to former SEC Chair Mary Jo White expressing serious concerns